



# Coalition of County Unions County of Los Angeles

November 7, 2013

## Member Unions:

American Federation of State, County & Municipal Employees, District Council 36, AFL-CIO

Association for Los Angeles Deputy Sheriffs, MEBA, AFL-CIO

California Association of Professional Employees, MEBA, AFL-CIO

International Union of Operating Engineers, Local 501, AFL-CIO

Committee of Interns and Residents, Service Employees International Union

LA County Building & Construction Trades Council, AFL-CIO

LA County Fire Fighters, Local 1014, AFL-CIO

LA County Lifeguard Association, MEBA, AFL-CIO

LA County Probation Officers Union, Local 685, AFSCME, AFL-CIO

Union of American Physicians and Dentists, AFSCME, AFL-CIO

The CCU is a committee of the Department of Public Employee Unions, Los Angeles County Federation of Labor, AFL-CIO.



CoalitionofCountyUnions.com

## Coalition of County Unions

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## Fringe Benefit Negotiations Hit Stalemate

**County Refuses to Cover Cost of Health Care Inflation Unless Labor Agrees to Plan That Will Bankrupt Retirees**

**O**n Friday, Nov. 1, the Coalition of County Unions, SEIU Local 721, and the 800,000-member Los Angeles County Federation of Labor publicly announced a **unified front** to protect affordable healthcare for current and future members and retirees. This joint announcement came days after Fringe Benefit negotiations hit a stalemate, when County negotiators declared that they would not fund the increased cost of health care benefits for current employees unless we agreed to **radical changes** to retiree health care benefits for future employees. The announcement also comes as SEIU Local 721 members are taking a **strike vote**.

The County has admitted – both at the bargaining table and to the news media – that they have **plenty of money** in the budget to increase their contribution to Choices to cover healthcare inflation (they also have more than enough money to continue to pay for Retiree Health Care).

As County employees, **we should not have our income reduced today** just

because the County wants to change a “policy” that affects people 30 years from now. Further, if we allow this tactic to succeed, we can be sure that the County will use it in future negotiations to reduce other benefits, such as the County’s contribution to the Horizons Plan.

**To learn more about the County’s bargaining tactic, see reverse.**

The Coalition and SEIU are **committed to defeating this tactic** and will be calling on members to **take action** in support.

## Los Angeles Times

Saturday, November 1, 2013

*“In a letter to the county’s chief executive, the unions compared the county’s bargaining tactics to those used by Republicans in the U.S. House of Representatives during the recent government shutdown. “As we know from that failed effort, hostage-taking is not a productive means to an end that requires consensus,” the letter said.”*



County union leaders are joined by Maria Elena Durazo, Executive Secretary-Treasurer of the L.A. County Federation of Labor, AFL-CIO, at a press conference on November 1, 2013.

## Quotables Moments

- "It doesn't help to threaten us and threaten all county workers with a pay cut," Blaine Meek, chairman of the Coalition of County Unions, said while flanked by labor leaders representing deputy sheriffs, firefighters and other public employees. "That is not constructive. It's destructive, and that's why we're here and we're willing to fight for affordable healthcare."
- "All county employees resent the county holding their health care hostage in an attempt to make us radically slash health-care benefits for future retirees," said Dave Lopez, fire captain and L.A. County Firefighters Local 1014 member.
- "Rising health care costs are not merely an SEIU problem, this is a problem for all L.A. County workers," SEIU Local 721 President Bob Schoonover said.

# What Is This Really All About?

## The County of LA has a problem...

In 1982, the County negotiated a deal with LACERA to provide retiree medical benefits that – given the mushrooming cost of health care – it **claims it cannot afford** in the future (County Unions are not a party to that “1982 Agreement”; it is strictly between the County and LACERA). They want to reduce the retiree medical benefits available to new hires, but they must get LACERA to agree to amend the “1982 Agreement.” The County knows that if labor does not go along with the changes they demand, then LACERA will not agree to them. That’s a problem for the County, right?

So during Fringe Benefit negotiations in 2010, the **Coalition and SEIU Local 721** agreed to form a committee to explore possible changes to retiree healthcare for future employees –

changes that we could all agree would save the County money yet **protect future members** when they retire from County service.

## Los Angeles Times

May 30, 2007

### Tab is steep for retiree healthcare

**The cost to L.A. County over 30 years: up to \$20 billion. No money is set aside for the benefits, which are funded on a pay-as-you-go basis.**

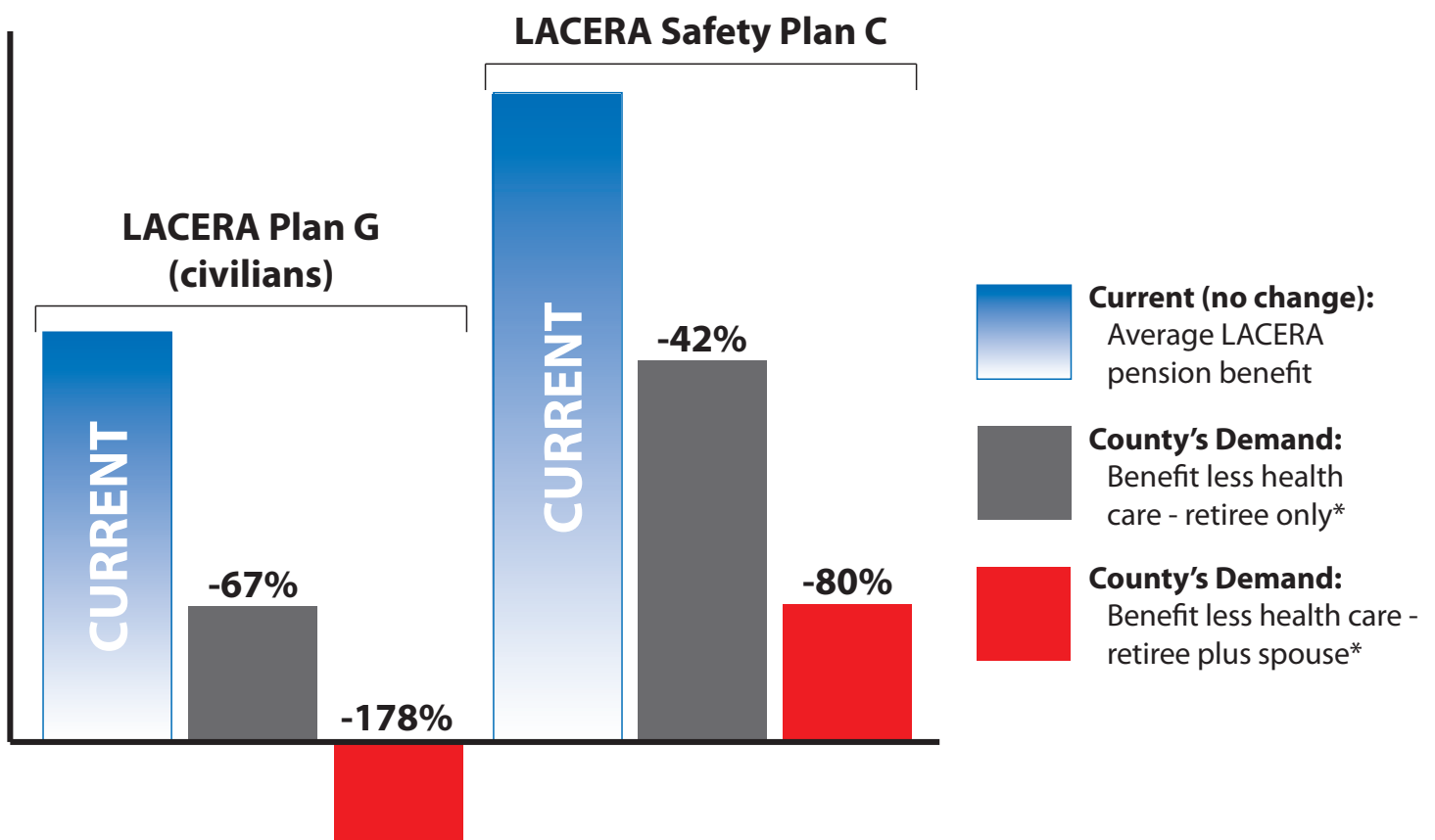
“Los Angeles County is on the hook for as much as \$20.3 billion in retiree healthcare costs over the next 30 years, according to figures released Tuesday. The county has no long-term plan to cover the looming medical costs of its retirees and current employees. Instead, it funds health benefits on a pay-as-you-go basis.”

## County CEO proposes “solution” that will bankrupt retirees....

Over the last year, the County and labor have shared a number of cost saving ideas. However, one of the County’s “ideas” is to **slash retiree healthcare for future employees to a flat \$700 per month** with no way to increase that amount as the cost of health care increases.

We did the math, and if health care increases at the same rate it has been, then **future retirees will be paying the majority – if not all – of their pension toward health care.** (Currently, the County pays about \$900 for a retiree only, and more than \$1,500 for a retiree plus spouse. So you can only imagine what that \$700 would cover in 30 years – **Next to nothing!**).

## Impact of County’s Retiree Health Care Demand on Future County Employees’ Pension Income



\*Based on current salary of \$65,000 for general members and \$95,000 for safety members, increased by 3% per annum. Retiree healthcare insurance premiums based on Anthem Blue Cross, increased by 7.3% per annum. Assumes an employee retires after 30 years of service, starting in 2044. For illustration purposes only; pending review by actuarial consultant.